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# Security Council

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## Letter dated 23 July 2002 from the Chairman of the Security Council Committee established pursuant to resolution 1132 (1997) concerning Sierra Leone addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1132 (1997) concerning Sierra Leone, I have the honour to convey herewith a note verbale dated 22 July 2002 from the Permanent Mission of Sierra Leone to the United Nations, forwarding the fourth review of the Certificate of Origin regime for the export of Sierra Leone diamonds as prepared by the Government of Sierra Leone in compliance with paragraph 2 of resolution 1306 (2000) (see annex).

The Committee would appreciate it if the attached letter, together with its enclosure, could be brought to the attention of the members of the Security Council and issued as a document of the Security Council.

It should also be noted that the following related communications, S/2000/966, S/2000/1151, S/2001/127, S/2001/300, S/2001/794 and S/2002/38, were issued previously.

(*Signed*) Adolfo Aguilar **Zinser**
Chairman
Security Council Committee established pursuant
to resolution 1132 (1997) concerning Sierra Leone

02-49781 (E) 260702

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## Annex

### Note verbale dated 22 July 2002 from the Permanent Mission of Sierra Leone to the United Nations addressed to the Chairman of the Security Council Committee established pursuant to resolution 1132 (1997) concerning Sierra Leone

The Permanent Mission of the Republic of Sierra Leone to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1132 (1997) concerning Sierra Leone and has the honour to forward herewith the fourth review of the Certificate of Origin regime for the export of Sierra Leone diamonds (June 2002) (see enclosure).

**Enclosure**

**Implementation of United Nations Security Council resolution 1306 (2000)**

**Fourth review of the Certificate of Origin regime for the export of Sierra Leone Diamonds**
**June 2002**

## A. Introduction

1. This, the fourth review of the operations of the Certificate of Origin established under Security Council resolution 1306(2000), was due in March 2002. However, during the past several months the Government of Sierra Leone has responded to requests from the Security Council Committee concerning Sierra Leone, on a number of specific issues relating to the operations of the certification regime. The decision of the Committee to deal directly with the Government and to request clarification on such issues has opened an important channel of communication to supplement the formal reviews submitted periodically by the Government.

2. The recent visit of the Chairman of the Committee, Ambassador Adolfo A. Zinser to West Africa, including Sierra Leone, has also provided an opportunity for the Committee to be apprised of the current situation and some of the problems associated with the implementation of the certification system.

## B. Status of the Certificate of Origin system

3. A total of 325 (three hundred and twenty-five) certificates have been issued since the system came into operation in October 2000, as part of the international effort to end transaction in conflict or "blood diamonds." Unfortunately, digital photographs of the diamonds presented to the Government Gold and Diamond Office (GGDO), are still being transmitted electronically to only two importing countries, Belgium and Israel. Extension of this important element of the certification system to the United States and other countries has still not materialized. Nevertheless, the Government continues to fulfill its obligations under the regime by ensuring that digital photographs of all diamonds presented to the GGDO for valuation and export to any part of the world, accompany every parcel exported from Sierra Leone.

## C. Other Measures

4. Within two months of the formal declaration of an end to the armed conflict in Sierra Leone in January 2002, Government authority had been established all over the country. This opened the way for further extension and updated regulations in the mining sector to those areas previously occupied illegally by the rebels.

**(a) Mining**

5. The first priority has been to install surveillance and monitoring mechanisms in those areas, particularly in Kono and Tongo, where indiscriminate and illegal mining activities were conducted to fuel the conflict in the form of "arms for diamonds." The major mining sections of both Kono and Tongo now have a full complement of Field Officers from the Ministry of Mineral Resources. The Police and other law enforcement agents provide security support.

6. Licences are being issued for all mining activities in the areas concerned. In order to ensure greater participation by local inhabitants, Chiefdom committees have also been created to screen prospective licence holders. This new development also ensures that an orderly process is put in place to examine old personal and other claims to mining sections. The Paramount Chief serves as chair of the Chiefdom Committee which comprises five persons, with the Government Mining Engineer serving as technical adviser to the Committee.

**(b) Marketing**

7. Traditionally, marketing has been the area which poses the greatest number of problems due to the nature of diamonds and their susceptibility to illicit activities. During the period under review, there has been a marked improvement in the volume and quality of diamonds processed through the certification system. This is due not only to the extension of Government authority over the main diamond producing areas of the country, but also to the quality of stones derived from those areas. The improved surveillance and monitoring mechanism has had a significant impact on the legitimate transaction in diamonds, and in reducing illicit activities.

8. In order to maintain the highest level of transparency in marketing, the agreement with the former evaluators has been terminated for unprofessional conduct on their part. A new team of Independent Diamond Evaluators has replaced them.

**D. Contribution of the Certificate of Origin regime to mining community development**

9. Although the objective of the certification system is to end the trade in conflict or "blood" diamonds, the Government of Sierra Leone continues to take measures to provide incentives at the community level that would discourage illicit mining and transaction in the diamond producing areas. The idea is that local communities should benefit directly from mining activities conducted in those areas. The Government considers that this initiative which is outside the scope of resolution 1306 (2000) is another contribution to the implementation of the certification regime.

10. The Mining Community Development Fund, instituted by the Government some time ago, is now a permanent feature in the mining industry. Funds continue to be

reserved in this account for distribution to the appropriate Chiefdoms for community-based development projects. These amounts are disbursed in proportion to the number of licences issued in each Chiefdom. The Ministry of Mineral Resources has now made it a requirement that all recipient Chiefdoms should show proof of the utilization of amounts previously disbursed to them, before further disbursements are made.

## D. Conclusions

11. The Government of Sierra Leone has scrupulously, and within its means and capabilities, fulfilled its obligations under resolution 1306 (2000). It has even performed over and beyond the requirements of the resolution, and has made a distinctive contribution to the success of the certification system within its borders. Reports of lapses, which the Government has addressed in relevant communication with the Committee, should in no way cast any shadow of doubt on the determination of the Government to meet its commitments under the regime, or on the efficacy of its national certification system. Certification has become the norm for exporters.

12. It should be pointed out that of the 325 certificates issued so far, only five, sent through Belgium, were the subject of queries or 'difficulties'. This is less than 2% of the total number of certificates sent to Belgium and less than 2% of the number of certificates issued by the GGDO. Moreover, the total caratage and value of diamonds covered by the five problem cases were 549.99 carats valued at $128,320.21, This should be compared with the total caratage of 408,689.02 carats, worth $48.6 million, already exported under the certification system. (See attached table of exports)

13. As a result of the end of hostilities, and the successful disarmament and demobilization of ex-combatants, the question arises as to whether the concept of 'conflict' or 'blood' diamonds still applies to the situation in Sierra Leone. In other words, does the end of the conflict in the country mean that its diamonds are no longer used in exchange for weapons to fuel armed rebellion within Sierra Leone?

14. Of course the Government continues to face problems of illicit production and smuggling of diamonds, problems that could be traced back to the inception of the diamond mining industry in Sierra Leone and long before the concept of 'conflict' or 'blood' diamonds emerged.

15. The Government believes that while the illicit trade in diamonds may no longer be playing any role in armed conflict in Sierra Leone, illicit trade in diamonds continues to have a negative impact on the country's economic and social development programmes. It is in its own national interest to take firm action to deal with smuggling within its borders.

16. While the certification system has reduced the incidence of illicit transactions in Sierra Leone diamonds, the fact that quantities of diamonds are transacted illegally should not be attributed to so-called "leaks" in the Sierra Leone certification system.

Resolution 1306 (2000) and the certification system were not conceived as permanent one-time solutions to the smuggling of Sierra Leone diamonds.

17. Any objective and realistic evaluation of the system as it pertains to Sierra Leone should take into consideration *inter alia*, the nature of the product and the complexity of *international* diamond transactions beyond the borders of Sierra Leone. While it acknowledges its responsibility to curb smuggling, effective implementation of the certification regime, and efforts to curb the illicit trade in diamonds, also depend on the cooperation of all States. Its own efforts are intricately linked with those of other States and entities.

18. As observed in paragraph 3 above, only two countries are electronically linked with the GGDO to receive digital photographs of Sierra Leone diamonds exported through the national certificate system. For its part, the UN General Assembly has recognized that even a system of so-called voluntary self-regulating initiatives will contribute to ensuring the effectiveness of national systems of internal controls for rough diamonds.[1]

19. In this regard, it is relevant to note that resolution 1306(2000), calls upon all States, in particular those through which rough diamonds from Sierra Leone were known to transit, and all relevant international and regional organizations, to strictly comply with the provisions of the resolution.

20. The Government recalls that the Security Council has welcomed the establishment of a certificate regime in relation to Guinea's exports of rough diamonds, and the continued efforts of ECOWAS as well as West African countries, towards developing a region-wide certification regime.[2] It also emphasized the responsibility of all member States, including diamond importing countries, to fully implement the measures in resolution 1306 (2000). The Council recently reiterated its call for the establishment of an effective certificate of origin regime for Liberian rough diamonds that is transparent and internationally verifiable.

21. Underlining the importance of concerted international efforts in support of national certification systems, the Security Council is also looking forward to the full implementation of the international certification scheme proposed by the Kimberly Process, as soon as possible.[3]

22. The Government of Sierra Leone is encouraged by the measures taken by States and relevant organizations since its previous review of the certification regime, to facilitate implementation of resolution 1306 (2000), and to assist in strengthening the Government's monitoring and intelligence capacity to deal with the problems of smuggling of the country's diamonds.

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[1] General Assembly resolution 56/263.
[2] Resolution 1385 (2001).
[3] Resolution 1408 (2002).

**Attachment 1**

## DIAMOND EXPORTS UNDER CERTIFICATION REGIME
## 2000 / 2001/2002

| YEAR | MONTHS | TOTAL CARATS | VALUES ($) | PRICE/CARAT |
|---|---|---|---|---|
| 2000 | OCTOBER | 28,450.60 | 4,470,424.41 | 157.13 |
| | NOVEMBER | 12,128.75 | 1,079,695.58 | 89.02 |
| | DECEMBER | 9,702.16 | 983,014.60 | 101.32 |
| 2001 | JANUARY | 13,486.10 | 1,991,773.84 | 147.7 |
| | FEBRUARY | 15,384.67 | 1,909,276.29 | 124.1 |
| | MARCH | 20,055.63 | 2,685,334.87 | 133.89 |
| | APRIL | 14,440.58 | 1,821,327.48 | 126.13 |
| | MAY | 16,996.96 | 2,156,766.00 | 126.9 |
| | JUNE | 15,662.29 | 2,154,917.36 | 137.67 |
| | JULY | 18,161.11 | 2,154,868.90 | 118.64 |
| | AUGUST | 16,509.67 | 2,280,402.42 | 138.13 |
| | SEPTEMBER | 29,706.68 | 2,194,349.36 | 73.87 |
| | OCTOBER | 24, 097.92 | 2,488,445.46 | 103.26 |
| | NOVEMBER | 21,368.88 | 2,152,522.96 | 100.78 |
| | DECEMBER | 16,689.34 | 2,032,708.34 | 121.94 |
| 2002 | JANUARY | 20,890.75 | 1,436,569.50 | 68.77 |
| | FEBRUARY | 16,988.55 | 1,782,848.73 | 04.94 |
| | MARCH | 13,280.94 | 1,590,819.50 | 19.78 |
| | APRIL | 25,761.72 | 3,772,768.35 | 46.45 |
| | MAY | 29,781.27 | 3,241,943.81 | 08.86 |
| | JUNE | 29,184.45 | 4,196,749.43 | 143.8 |
| | TOTAL | 408,689.02 | 48,577,326.18 | 18.86 |

**Attachment 2**

Security Council
4589th meeting

25 July 2002

## List of speakers

| Members | Rule 37 | Rule 39 |
|---|---|---|
| Syrian Arab Republic<br>Cameroon<br>Singapore<br>Guinea<br>Colombia<br>Norway<br>Bulgaria<br>China<br>Mauritius<br>Mexico<br>United States of America<br>France<br>Russian Federation<br>Ireland<br>United Kingdom of Great Britain and Northern Ireland | Jamaica<br>Chile<br>Canada<br>Republic of Korea<br>Denmark<br>Nigeria<br>Australia<br>New Zealand<br>Japan<br>Liechtenstein<br>Grenada | Mr. Jean-Marie Guéhenno, Under-Secretary-General for Peacekeeping Operations<br>Ms. Angela King, Assistant Secretary-General and Special Adviser on Gender Issues and Advancement of Women<br>Ms. Noeleen Heyzer, Executive Director of the United Nations Development Fund for Women |